

# Baseline Questionnaire— Community Profile

## Ashtarak

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### GENERAL FEATURES OF COMMUNITY

Ashtarak, located in Aragatsotn *marz*, is approximately 20 kilometers from Yerevan at the juncture of highways M-1 and M-3.



### General Executive Summary

The Ashtarak city leadership is relatively new, with a first-term mayor and 8 of the 15 local council members newly elected. The city's economy is primarily based on agricultural activities; unemployment and underemployment are high. The city's information technology (IT) equipment and software systems do not support a comprehensive management approach to all city activities.

The city's budget, with the exception of a very substantial capital grant in 2005, is relatively stable. The city's tax revenues went up significantly as the city took over the delegated function of land and property tax collection. However, the city's collection rate could be improved substantially (30 percent error rate in land and property tax data). Municipal asset management is done on an ad hoc basis without the benefit of tracking the cost of operation and repairs and comparing those with potential revenues. The city has not made any loans, nor has it attempted to acquire revenues through bond issuance. The internal controls of the city are weak, with the finance director reporting to the mayor, although the city has followed the procurement law and decrees covering auctions and procurement of goods and services. However, the national law is relatively vague in that it does not require publishing bids and publicly announcing the winner and the method of choosing the winner.

Public services are struggling to collect a higher portion of the cost of service provision, rather than continue to be a burden on the city's budget.

Although some public relations opportunities exist in the city, based on the presence of a radio and two local newspapers, the city council and city staff seem not to take advantage of the opportunity. However, the local council has made an effort to be available for residents by posting office hours when each specific council member will be in the office to address questions, complaints, and requests for service.

The local council needs training on the roles and responsibilities of the local council. Additionally, council, staff, and the mayor need to develop a more substantive strategic plan for the city, rather than the current 3-year plan that is essentially a capital improvements wish list.

**Table 1-1. Key Contacts**

Position	Name	Telephone
Mayor	Gagik Tamazyan	(0232) 3-10-26(091) 40-31-99
Deputy Mayor	Gagik Shahizyan	(0232) 3-30-85
Chief of Staff	Gevorg Yeghiazaryan	(0232) 3-31-20

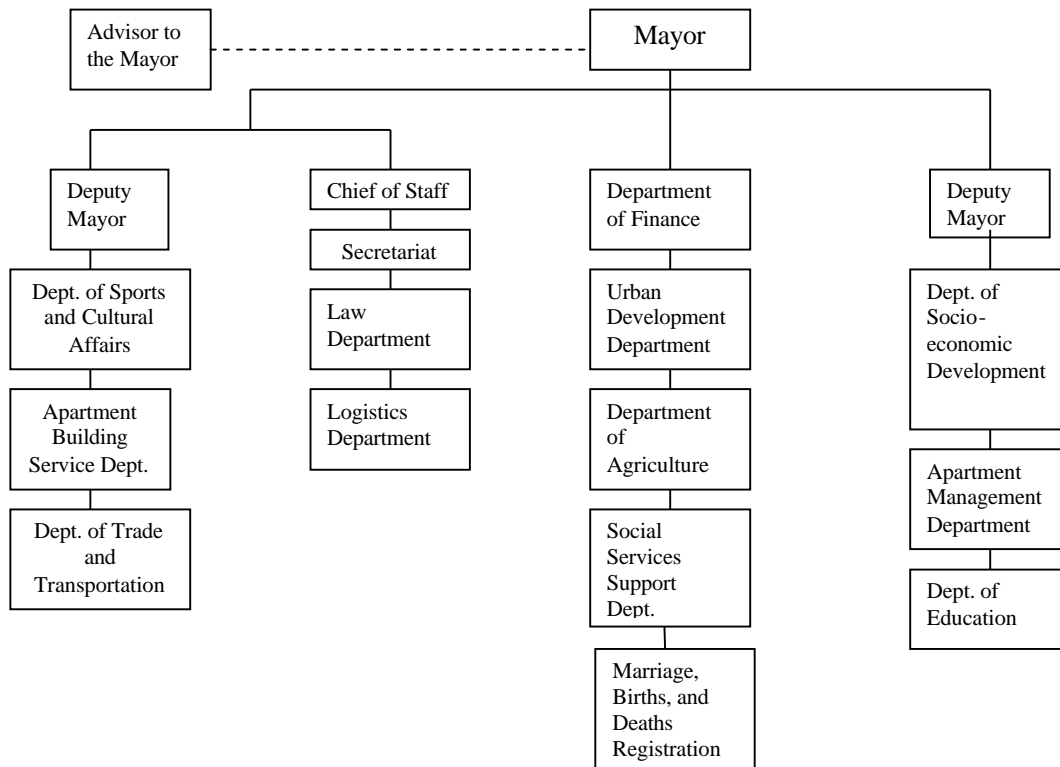
**Table 1-2. General Information**

Item	Number	Yes	No
Population 2002 census	21,475		
Number of households	8,511		
Area (est.)	4,162 hectares		
Certification of boundary			X
Term of mayor (1 st, 2nd, etc.)	1st term		
Number of local council members	15		
Number of local council members reelected	7		

**Table 1-3. Gender Mix of Council and City Staff**

Office	No. of Males	Percent of Total	No. of Females	Percent of Total
Mayor	1	100	0	0
Local council	15	100	0	0
Staff of City Hall	44	59	31	41
Total	60	66	31	44

**Figure 1-1. Organization Chart of Local Government**

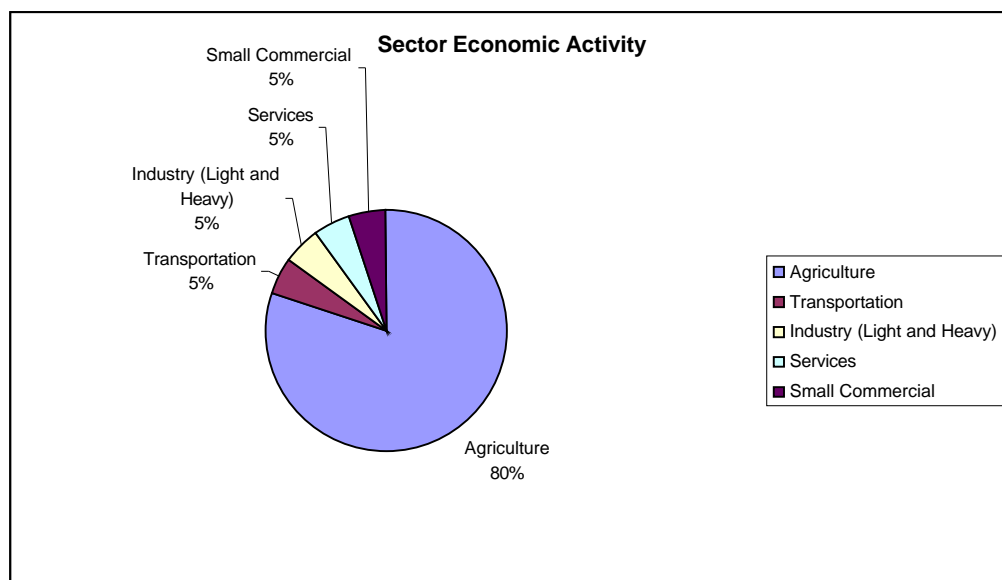


**Table 1-4. Economic Base of City**

Sector	Estimated Percentage of Local Activity
Agriculture	80
Transportation	5
Tourism	0
Industry (Light and Heavy)	5
Services	5
Small Commercial	5
Other	0
Total	100

The estimated unemployment rate for the city is 25 percent (people who own land are not considered unemployed). An estimated 1,000 residents (15 percent of the total current population) are working in other countries in temporary or permanent work.

**Figure 1-2. Ashtarak Economic Activity by Sector**



**Table 1-5. Computer and Office Equipment of Local Government**

Equipment Type	Number	Yes	No
Notebook computers	1		
Desktop computers	8		
Servers	0		
Networked			X
Copiers	1		
Fax machines	0		
Internet service		X	

**Table 1-6. Computer Software in Use**

Software Function	Yes	No
Word processing	X	
Microsoft Excel	X	
Specialized budget		X
Oracle (tax collection)	X	
Geographic information systems (GIS)		X
Citizen registry	X	
Office Works by the Information Systems Development Training Center (ISDTC)	X	

**Table 1-7. USAID or Other Donor Programs Active in Community**

Donor	Type of Program
Council of Europe	Regional program for the protection of cultural and natural heritage, and management of historical sites

USAID = United States Agency for International Development

**Table 1-8. Active Nongovernmental Organizations or Civil Society Organizations**

NGO or CSO	Type of Cooperation or Service with Local Government
Forum of NGOs and NCOs	Consultative

CSO = civil society organization ; NCO = noncommercial organization; NGO = nongovernmental organization

**Table 1-9. How the City Receives Information about Adopted Legislation**

Source	Yes	No
IRTEK* (Legal Information Center)		X
Union of Communities		X
<i>Marzped</i>		X
National Assembly Web site	X	
Newspapers, TV, etc.	X	

\* IRTEK provides Internet or compact disc updates of all laws and decrees monthly.

# COMPONENT TWO

## LOCAL GOVERNMENT FINANCIAL MANAGEMENT SYSTEMS

### Executive Summary

The city's budget, with the exception of a very substantial capital grant in 2005, is relatively stable. The city's tax revenues went up significantly as the city took over the delegated function of land and property tax collection. However, the city's collection rate could be improved substantially (30 percent error rate in land and property tax data). Municipal asset management is done on an ad hoc basis without the benefit of tracking cost of operation and repairs and comparing those with potential revenues. The city has not made any loans, nor has it attempted to acquire revenues through bond issuance. The internal controls of the city are weak, with the finance director reporting to the mayor, although the city has followed the procurement law and decrees covering auctions and procurement of goods and services. However, the national law is relatively vague in that it does not require publishing bids, and publicly announcing the winner and the method of choosing the winner.

**Table 2-1. Revenues and Expenditures, 2003-2005—Planned**

Fiscal Year	Revenues (AMD)	Per Capita Revenues* (AMD)	Expenditures (AMD)	Per Capita Expenditures* (AMD)
2005	160,426,200	7,470	162,000,000	7,544
2004	127,033,500	5,915	128,000,000	5,960
2003	122,000,000	5,681	122,000,000	5,681

AMD = Armenian drams

Budget figures include both operating and capital budgets . Budget figures not adjusted for inflation.

\* Based on census population .

**Table 2-2. Revenues and Expenditures, 2003-2005—Actual**

Fiscal Year	Revenues (AMD)	Per Capita Revenues* (AMD)	Expenditures (AMD)	Per Capita Expenditures* (AMD)
2005	206,754,300	9,628	187,690,700	8,740
2004	128,000,000	5,960	128,000,000	5,960
2003	111,473,600	5,191	122,000,000	5,681

AMD = Armenian drams

Budget figures include both operating and capital budgets . Budget figures not adjusted for inflation.

\* Based on census population

**Table 2-3. Property Tax Collections, 2003-2005**

Fiscal Year	Property Tax (AMD)	Per Capita* (AMD)
2005	42,470,600	1,978
2004	42,470,600	1,978
2003	26,866,500	1,251

AMD = Armenian drams

Budget figures include both operating and capital budgets . Budget figures not adjusted for inflation.

\* Based on census population

**Table 2-4. Property Tax Collection Process**

Activity	Amount	Description
Percentage error in property tax data	Up to 30%	Largest error area is in personal land tax
Who collects the property tax	Municipal Dept. of Revenue	
Tax collection commissions	5%	City contracts with 5 tax collectors that receive 15,000 AMD plus 5% commission
Tax collection problems		Land tax information received from the State Tax Inspectorate

AMD = Armenian drams

**Table 2-5. Budget Process**

Activity	Amount	Yes	No
Borrowed money from a bank			X
Citizen participation in the formation of the budget			X
Citizen participation in the adoption of the budget			X
Produced a budget in brief			X
Funding for projects in the community development plan			X

**Table 2-6. Asset Management**

Activity	Amount	Yes	No
Asset management plan developed			X
Local legislation regulating the sale or lease of property			X
Public announcement of sale or lease of property		X	
Sale or lease of municipal property	2,514,922 AMD lease	X	

Activity	Amount	Yes	No
Number of responses received	More than two		
City has real estate market information for sale or lease of property			X
AMD = Armenian drams			

**Table 2-7. Anticorruption Effort**

Activity	Description
Who do citizens report suspected corruption to?	Mayor or <i>marzped</i>
Have there been any reports of possible corruption	No
Are procurement bids published?	Yes, national newspaper
Are the advertisements posted in locations and in ways to solicit the maximum number of competitive offers?	No
How many bids are sought	At least two; if more than 1 million AMD, three bids are sought
Are bid evaluation committees staffed with professionals to review offers?	Deputy Mayor and department heads
Are the winning bids announced publicly?	Yes
What is the most useful criterion used by the city for accepting an offer for goods or services?	Highest price in leases and sale of property, and lowest price on procurements
Is there an internal control system in place?	No
Who is the internal auditor and who does he report to?	There is none
How is the collection of cash handled?	Department of Revenue collects the cash then deposits it into one of the four local branch banks



# COMPONENT THREE

## PUBLIC SERVICE DELIVERY

### Executive Summary

The very low fee collection rate places a very heavy burden on the city's budget. The city needs to increase fee collection while also improving service either through increased frequency or increased coverage of the community.

Although the city has not had any warnings or been fined for environmental pollution, it is more a statement on the lack of enforcement by the ministry than a comment on the solid waste collection or landfill operations. The Armenia Water and Sewerage Company (AWSC) is responsible for water and wastewater operations, although the city still nominally owns the facilities and networks.

**Table 3-1. Basic Services Provided by the City**

Mandatory Service	Service Provider	Approximate No. of People Served	Number of Employees	Funding Source
Kindergarten (5)	City budget org.	550	105	90% budget; 10% fee
Music school	City budget org	80	35	100% fee
Sports school	City budget org	100	10	100% budget
Art school	City budget org	50	15	100% fee
Community center (2)	City budget org.	Entire population	23	100% budget
Solid waste collection and street cleaning	Victoria Ltd.	Entire population	16	10% budget; 90% fee
Apartment building maintenance	Department of Apartment Building Services	1,000 apartments	6	100% budget

**Table 3-2. Environmental Operations**

Service or Activity	Cited or Fined	Not Cited or Fined
Water treatment and supply		X
Wastewater collection		X
Solid waste collection		X

**Table 3-3. Collection Rates for Services**

Service	2003	2004	2005	Remarks
Apartment building maintenance	30	30	30	No condominium or management structure exists
Kindergarten	Same as above	Same as above	Same as above	
Solid waste collection	15%	15%	15%	New company has taken over

# COMPONENT FOUR

## STRENGTHENING LOCAL GOVERNMENT PUBLIC RELATIONS

### Executive Summary

The city does have access to a local radio station and two local newspapers. The city has tasked the Chief of Staff with public relations responsibilities. The citizen information center has gone out of operation and is part of the secretariat now. The city organizes open budget hearings and produces newsletters that are distributed by means of city enterprises and district committees.

**Table 4-1. Access to Local Media**

Media Type	Yes	No
Television		X
Radio	X	
Newspaper (two)	X	

**Table 4-2. Local Government Public Relations Responsibility and Capacity**

Activity	Amount	Yes	No
Established public relations responsibility		X	
Aware of the freedom of information (FOI) law		X	
Received training on FOI law			X
Established an information center			X
Track citizen requests for information, service, or complaint		X	
Manual tracking system		X	
Average monthly inquiries, service requests, and complaints	200-250		
Timely response to FOI requests	95%		
City has an information board		X	
City Hall has a directory			X
City Staff has access to citizens (TV, public meetings, et c.)			X
City produces a newsletter for residents		X	
City presents the budget to citizens		X	
Youth involvement in local government activities		X	

Activity	Amount	Yes	No
City collaborates with local NGOs		X	
City Hall office numbers are published or otherwise made available to citizens			X

FOI = freedom of information; NGO = nongovernmental organization

# COMPONENT FIVE

## ASSISTANCE TO LOCAL COUNCILS

### Executive Summary

Ashtarak's local council has not received any training on its roles, responsibilities, and duties as the body that is supposed to set policy for the local government to follow. The mayor is obligated to produce a 3-year "development" plan for the city. This development plan often turns out to be nothing more than a 3-year capital improvement "wish" list. Seldom is it tied to a longer term vision for the community. Newly elected council members receive no training concerning their roles, responsibilities, and duties. The local council has developed a set of rules regulating the meetings and other requirements that the council must meet. The mayor allocated a separate room for council members to meet with constituents. A calendar is posted on the door of the room stating the day and time each council member is present to welcome residents, answer questions, and record complaints and requests for service. Involvement of youth in city issues is also an activity that can foster more trust and confidence in local government.

**Table 5-1. Local Council Composition and Contact Numbers**

Council Member	Gender	Contact Information
1. Tigran Galstyan	M	(091) 34-15-80
2. Razmik Terteryan	M	(091) 42-47-71
3. Andranik Tsaturyan	M	(091) 55-85-17
4. Arsen Sargsyan	M	(0232) 32-060
5. Vahagn Mkrtchyan	M	(091) 35-68-91
6. Harutyun Mikayelyan	M	(091) 45-70-75
7. Rubik Melkonyan	M	(093) 38-21-83
8. Marat Hovhanisyan	M	(091) 40-51-16
9. Gevorg Hovhanisyan	M	(091) 47-05-48
10. Ashot Hunanyan	M	(091) 47-47-20
11. Khoren Gevorgyan	M	(091) 43-34-49
12. Gevorg Nalbandyan	M	(091) 20-08-66
13. Liparit Khalachyan	M	(091) 33-53-21
14. Arsen Chachatryan	M	(091) 20-47-15
15. Sargis Shahverdyan	M	(091) 41-21-69

**Table 5-2. Council Training and Selected Practices**

Item or Activity	Yes	No
Are established rules of procedure s in place?		X
Have council members received train ing on the role and responsibilities of the council?		X
Do newly elected council members receive any training?		X
Do council members receive meeting agendas 3 days prior to public meetings?	X	
Meeting agendas and time and place are publicized prior to t he meetings?	X	
Do citizens actively participate in council meetings?	X	
Are minutes of council meeting open to public?	X	
Does the council participate in the strategic planning for the city?	X	
Does the council conduct service oversight hearings?	X	
Have council members participated in publicizing issues?		X
Are council members knowledgeable of city operations?	X	
Does the council receive legal guidance on passing local laws?	X	
Do council members meet with constituents regularly?	X	
Is there a place at City Hall where council members can meet with constituents?	X	
Has the council used advisory committees, focus groups, or special problem workgroups?	X	
Does City Hall have a place for council members to receive mail or other communications	X	